

2021 TAX LAW CHANGES: WHAT IS IN THE PLAN?



The Earned Income Tax Credit (EITC)

- **What is it?**
 - The EITC helps low- to moderate-income workers and families get a tax break. To receive the EITC, you must file a tax return. Prior to 2021, if you were a filer without a qualifying child to claim, you had to be 25-65 years old to receive.
- **Changes to the EITC under the American Rescue Plan**
 - The maximum age is eliminated
 - The minimum age is lowered from 25 to 19, even if you do not have a child to claim
 - 18 for qualified homeless youth or former foster youth
 - The benefit increased to almost \$1,500
 - Significant boost for non-custodial parents

The Child Tax Credit

- **Increased from \$2,000/child age 16 & under with \$1,400 refundable to:**
 - \$3,000 per child 6-17 years old
 - \$3,600 per child under 6 years old
 - Fully refundable
- **50% monthly payments in advance**

Common to both EITC & CTC

- Kinship (relative) care providers may claim their kin as "qualifying children"
- Foster children may be claimed as well
- Child(ren) must have lived in the U.S. with the taxpayer for more than half the year

Details: www.IRS.gov

For more information, contact Cary Gladstone at
cary.gladstone@graniteuw.org or 603.625.6939 ext. 128



CA\$H Coalition
of New Hampshire